



**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 15-01

Archival of inoperative and obsolete bulletins

Issued: January 12, 2015

To: All insurance companies, producers and all other interested parties

From: John M. Huff, Director

Re: Archival of Inoperative and Obsolete Departmental Bulletins

To advance its efforts of implementing administrative and regulatory efficiencies, the Department has conducted a complete review of bulletins.

As a result of this review, the Department has determined a number of bulletins are inoperative and obsolete. Those bulletins are hereby rescinded and withdrawn. A list of these bulletins is attached hereto as Exhibit A.

In its continuing commitment to transparency, all bulletins that have been rescinded and withdrawn will remain available on a separate page on the Department's website for historical and archival purposes. Both current and archived bulletins can be accessed on the "Insurance Bulletins" webpage at <http://insurance.mo.gov/laws/bulletin/>.

Bulletin 15-01 Exhibit A

Archival List of Inoperative and Obsolete Bulletins:

93-07	03-03	08-10
93-09	04-01	08-11
93-10	04-02	08-12
93-13	05-04	08-13
94-01	05-05	08-14
94-04	05-06	08-15
94-05	05-07	09-01
95-02	06-01	09-02
96-02	06-03	09-03
96-03	06-04	10-01
96-06	06-05	10-02
96-09	06-06	10-03
97-01	07-02	10-04
97-03	07-03	10-05
97-04	07-04	10-06
97-06	07-05	10-07
98-02	07-06	11-02
98-03	07-07	11-03
98-04	07-08	11-04
99-02	07-09	11-05
00-01	07-10	11-06
00-03	08-01	11-07
01-01	08-02	12-02
02-01	08-03	12-03
02-02	08-04	12-04
02-04	08-06	13-01
02-06	08-07	13-07
02-07	08-08	13-08
03-01	08-09	



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P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 15-02

Workers' Compensation Deductible Policies

Issued: September 17, 2015

The following Bulletin is issued by the Missouri Department of Insurance, Financial Institutions and Professional Registration ("DIFP") to inform and educate the reader on the specified issue. It does not have the force and effect of law, is not an evaluation of any specific facts or circumstances, and is not binding on the Department or an insurer. See §374.015 RSMo.

To: All insurers writing workers' compensation insurance policies

From: John M. Huff, Director

Re: Individually-rated workers' compensation policies with large deductibles

The purpose of this Bulletin is to provide guidance to insurers on individually rated workers' compensation policies with large deductibles. For purposes of this Bulletin, a large deductible is any deductible of \$100,000 or more.

Section 287.947 RSMo requires that "...every insurer shall file with the director all rates and supplementary rate information which is to be used in this state..." (emphasis added). Such rate and supplementary rate information is to be filed within 30 days of the effective date in a competitive market and 30 days prior to the effective date in a non-competitive market. Missouri currently has a competitive market.

In 2002, the Department was approached by insurers and asked to allow insurers flexibility to negotiate and individually rate workers' compensation policies with large deductibles for employers operating in multiple states. This flexibility would streamline the premium computation process by permitting the use of a single multi-state credit that could be more easily adjusted at audit.

Guidelines for individually rated workers' compensation policies with large deductibles were originally set forth in Bulletin 02-01. The flexibility to individually rate and negotiate premium for these policies was separate and apart from the rating flexibility already provided to insurers through the use of an Individual Risk Premium Modification (IRPM) Plan. Under Bulletin 02-01, insurers were allowed to deviate from a rating plan and negotiate either base rates or non-IRPM rating variables and arrive at a "mutually agreed upon" premium. Bulletin 02-01 was formally rescinded on January 12, 2015.

The Department recognizes that the interstate nature of commerce today impacts all commercial insurance lines, and in particular, workers' compensation insurance. While individually negotiated rates can raise concerns of excessive, inadequate or unfairly discriminatory rates, the flexibility to individually rate workers' compensation policies with large deductibles for employers operating in multiple states is reasonable in certain limited circumstances.

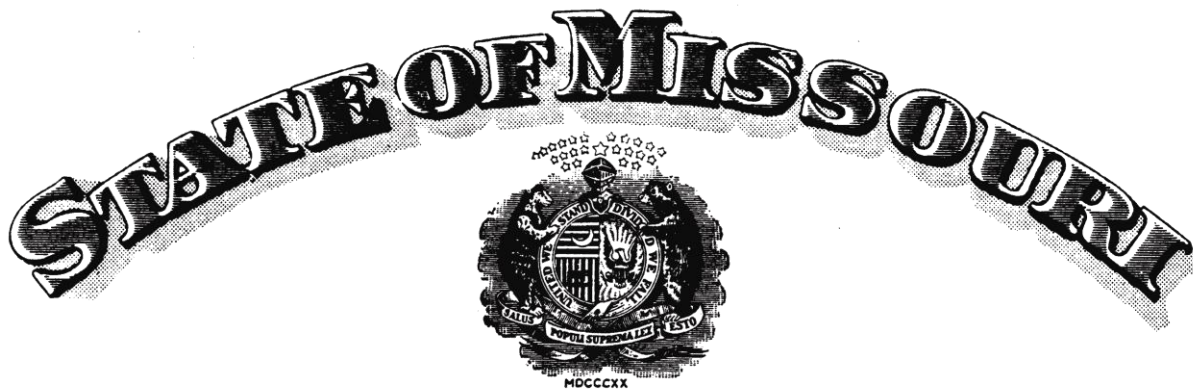
Those circumstances include situations where:

1. The employer has operations in one or more states in addition to Missouri; and
2. The employer's "Total Standard Premium" (as that term is defined in the Missouri State Page of the current NCCI Basic Manual), prior to the application of the deductible credit, is \$100,000 or more in interstate premium; and
3. The individually rated premium is mutually agreed upon by the insurer and the insured; and
4. The insurer submits a separate rate filing with the Department documenting its use of an individually negotiated (or non-standard) rate as required by Section 287.947 RSMo.

To facilitate the Department's review of the foregoing filings for individually rated policies with large deductibles, such filings should include the following information:

- a. The employer's name and address;
- b. The policy number and policy period;
- c. All states for which coverage is being provided under the policy;
- d. The total premium charged for the policy and the amount specifically attributable to the Missouri exposure of the employer's operation(s);
- e. The methodology by which the premium was established;
- f. The amount of and type of deductible(s) applicable to the policy;
- g. The amount and type of collateralization of the deductible; and
- h. What entity will be responsible for the administration of claims (the employer, the insurer or a specified third party administrator).

Insurers with questions regarding this Bulletin should contact the Market Regulation Division at 573-751-3365.



DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 15-03

Title Insurance Form Filing

Issued: September 21, 2015

The following Bulletin is issued by the Missouri Department of Insurance, Financial Institutions and Professional Registration ("DIFP") to inform and educate the reader on the specified issue. It does not have the force and effect of law, is not an evaluation of any specific facts or circumstances, and is not binding on the Department or an insurer. See §374.015, RSMo.

To: All title insurers, agencies and agents

From: John M. Huff, Director

Re: Agency Financial Interest Report (T-5A) and Affiliated Business Arrangement Report (T-5B)

The purpose of this Bulletin is to provide guidance to title insurers, agents and agencies regarding existing filing requirements for Agency Financial Interest Reports (T-5A) and Affiliated Business Arrangement Reports (T-5B). This guidance is offered to help licensees timely file and accurately complete these reports.

Who Must File the Reports?

1. Title agencies are required to file the [Agency Financial Interest Report, Form T-5A](#), pursuant to [Section 381.029.3, RSMo \(Supp. 2013\)](#) and [20 CSR 500-7.070\(2\)\(A\)](#).
2. Title insurers, agencies and agents are required to file the [Affiliated Business Arrangement Report, Form T-5B](#), pursuant to [Section 381.029.4, RSMo \(Supp. 2013\)](#) and [20 CSR 500-7.070\(2\)\(B\)](#).

When Must the Reports be Filed?

1. The [Agency Financial Interest Report, Form T-5A](#), shall:
 - a) be filed by March 31 of each year; and,
 - b) be updated and resubmitted within thirty (30) days of any material change to the information.
2. The [Affiliated Business Arrangement Report](#) shall be filed by March 31 of each year. The time to file is set forth in [20 CSR 500-7.070\(2\)\(A\) and \(B\)](#).

How Must Reports be Filed?

Reports may be delivered to the Insurance Market Regulation Division, Room 530, 301 W. High St., Jefferson City, Missouri 65101 pursuant to [20 CSR 500-7.030\(2\)](#). Reports will also be accepted via email at consumeraffairs@insurance.mo.gov in either Word or PDF format.

Where Are the Forms for the Reports?

The forms are available on the department's web site, <http://insurance.mo.gov/industry/forms/index.php> and at the Department offices at 301 West High Street, Room 530, Jefferson City, Missouri 65101.

Who has a Financial Interest in the Agent or Agency?

A financial interest is any interest, legal or beneficial, that entitles the holder directly or indirectly to one percent or more of the net profits or net worth of the entity in which the interest is held, but does not include payments of principal or interest made to a mortgage holder of the title agency.

[Section 381.031\(9\), RSMo.](#)

Who is a Producer of Title Business?

A producer of title business is:

[A]ny person, including any officer, director, or owner of five percent or more of the equity or capital of any person, engaged in this state in the trade, business, occupation or profession of:

- (a) Buying or selling interests in real property;
- (b) Making loans secured by interests in real property; or
- (c) Acting as broker, agent, representative or attorney of a person who buys or sells any interest in real property or who lends or borrows money with such interest as security.

[Section 381.031\(15\), RSMo.](#)

Who is an Associate of a Producer of Title Business?

An associate is any:

- (a) Business organized for profit in which a producer of title business is a director, officer, partner, employee, or an owner of a financial interest;
- (b) Employee of a producer of title business;
- (c) Franchisor or franchisee of a producer of title business;

- (d) Spouse, parent, or child of a producer of title insurance business who is a natural person;
- (e) Person, other than a natural person, that controls, is controlled by, or is under common control with, a producer of title business;
- (f) Person with whom a producer of title insurance business or any associate of the producer has an agreement, arrangement, or understanding, or pursues a course of conduct, the purpose or effect of which is to provide financial benefits to that producer or associate for the referral of business.

[Section 381.029.1\(3\), RSMo.](#)

What is a Material Transaction?

A material transaction is a single transaction with a monetary value of one hundred dollars (\$100) or more, or the aggregate of any series of transactions with a monetary value of six hundred dollars (\$600) or more, during the reporting period and which are between the agency and a party with a financial interest in the agency or in which the agency holds a financial interest. Material transactions shall not include:

1. Employee salaries or bonuses; or
2. Profit distributions in proportion to financial interests; or
3. Any payment reflected on a settlement statement or pursuant to an escrow agreement; or
4. Any payment to a realtor for commission.

[20 CSR 500-7.020\(2\)\(E\).](#)

Title insurers, agencies, and agents with questions regarding this Bulletin should contact the Consumer Affairs Division at 573-751-1922.



DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 15-04

Definitions of Small Employer Groups for Health Benefit Plans

Issued: October 30, 2015

The following Bulletin is issued by the Missouri Department of Insurance, Financial Institutions and Professional Registration ("DIFP") to inform and educate the reader on the specified issue. It does not have the force and effect of law, is not an evaluation of any specific facts or circumstances, and is not binding on the Department or an insurer. See §374.015 RSMo.

To: All insurers issuing health benefit plans, producers and other interested parties

From: John M. Huff, Director

Re: Definition of Small Employer Groups for Health Benefit Plans

The Department has received a number of inquiries asking for guidance as to what will constitute a "small employer group" as of January 1, 2016 in light of recent changes to Federal Law.

On October 7, 2015, the "Protecting Affordable Coverage of Employees Act ("PACE") was signed into law by the President. PACE amends the definition of a "large group" under Federal Law, defining it as an employer with 51 or more employees. PACE also permits states to maintain their current definition(s) of what constitutes a "small group" for the small employer group market.

Unless or until the Missouri General Assembly amends Section [379.930.2\(34\)](#) RSMo., the definition of a small employer group as a business employing "an average of at least two but no more than fifty eligible employees on business days during the preceding calendar year and that employs at least two employees on the first day of the plan year" remains in effect.

Insurers with questions regarding this Bulletin should contact the Market Regulation Division at 573-751-3365.



DIVISION OF WORKERS' COMPENSATION

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DIVISION DIRECTOR

To: All Workers' Compensation Insurance Companies, Self-Insured Employers, Group Trusts, and Third Party Administrators

From: Ryan McKenna, Director
Missouri Department of Labor and Industrial Relations

John M. Huff, Director
Missouri Department of Insurance, Financial Institutions and Professional Registration

Date: October 31, 2015

Subject: Workers' Compensation Administrative Tax, Administrative Surcharge, Second Injury Fund Surcharge, and Second Injury Fund Supplemental Surcharge for the 2016 Calendar Year

As required by Sections 287.690, 287.715 and 287.716, RSMo., the State of Missouri shall impose a workers' compensation administrative tax, administrative surcharge, Second Injury Fund surcharge, and a Second Injury Fund supplemental surcharge. For calendar year 2016, there will be no change from calendar year 2015. For calendar year 2016, the administrative tax will be 1.0 percent, the administrative surcharge will be 1.0 percent, the Second Injury Fund surcharge will be 3.0 percent, and the Second Injury Fund supplemental surcharge will be 3.0 percent.

Section 287.690, RSMo., authorizes the imposition of an administrative tax not to exceed two percent. Section 287.716, RSMo., authorizes the imposition of an administrative surcharge at the same rate as the administrative tax. The revenue from the administrative tax and the administrative surcharge is used to fund expenses associated with the administration of the Missouri Workers' Compensation law.

Section 287.715, RSMo., authorizes the imposition of Second Injury Fund surcharge that shall not exceed three percent. Effective January 1, 2014, Section 287.715.6 RSMo., authorizes the imposition of a Second Injury Fund supplemental surcharge not to exceed three percent. The Second Injury Fund supplemental surcharge may be collected for calendar years 2014 to 2021. The revenue generated by the Second Injury Fund surcharge and the Second Injury Fund supplemental surcharge is used to pay benefit and expense liabilities of the fund.

For more information about the functions and services of the Division of Workers' Compensation and the Second Injury Fund, visit <http://labor.mo.gov/DWC/>.

The Department of Labor and Industrial Relations and the Department of Insurance, Financial Institutions and Professional Registration look forward to working with you in 2016. If you have questions or need additional information, contact the Division of Workers' Compensation at 800-775-2667 or the Department of Insurance, Financial Institutions and Professional Registration at 800-394-0964.

*Missouri Division of Workers' Compensation is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.*

**MISSOURI
DEPARTMENT OF LABOR
& INDUSTRIAL RELATIONS**

Relay Missouri: 800-735-2966